GOVERNMENT OF INDIA
HOME AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:3822
ANSWERED ON:09.08.2016
FDI in Private Security
Ranjan (Pappu Yadav) Shri Rajesh;Ranjan Smt. Ranjeet

Will the Minister of HOME AFFAIRS be pleased to state:

(a) whether the Government has allowed FDI in the private security industry and if so, the details thereof and the reasons therefor along with the existing gaps that FDI is expected to address for this industry;

(b) the details of rules under the Private Security Agencies (Regulation) Act, 2015 to govern these agencies since foreigners will have a greater hold over the agency through FDI and the agencies to be involved for investigating the antecedents of potential investors;

(c) whether the Government has any proposal to amend the PSAR Act, 2005 to check the procurement of arms and ammunitions by foreign companies and to hold the foreign investors liable in case critical national information is leaked outside the country through the private
security agency in any manner, and if so, the details thereof;

(d) whether the Government has taken steps to ensure that the guns allowed to these private security agencies are not sold to unauthorised individuals and if so, the details thereof; and

(e) the steps taken by the Government to maintain a Central database of the number of registered and unregistered private security agencies and personnel hired by them?

Answer

MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS
(SHRI HANSRAJ GANGARAM AHIR)

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LS.US.Q.No.3822 FOR 09.08.2016
(a) to (b): Yes Madam, the extant policy of the Government allows the possibility of Foreign Direct Investment in the private security industry, subject however, to applicable laws/regulations; security and other conditionalities.
(c): There is no such proposal under consideration at present.
(d): There are provisions under sections 19 to 27 in the Arms Act, 1959 which provide that the arms cannot be issued/sold to unauthorised individuals.
(e): A web portal has been developed to enable the State Governments/Controlling Authorities to maintain a database for effective monitoring of the relevant provisions of PSAR Act, 2005.